

LV= reveal the true cost of a child



Released on: January 28, 2009, 7:15 am

Press Release Author: LV=

Industry: [Financial](#)

Press Release Summary: The sixth annual survey from LV= insurance and investment group, on the Cost of a Child, shows that parents could spend £193,772 raising a child up to the age of 21

Press Release Body: The sixth annual survey from insurance and investment group LV= on the Cost of a Child, shows that parents could spend £193,772 on raising a child up to the age of 21. This is equivalent to £9,227 or £25 a day.

The survey by the UK's largest friendly society shows that the cost of raising a child has increased by 4% since the last survey in December 2007 and is up 38% over the five years since the survey began in 2003. Childcare and education remain the biggest expenditures, costing parents £53,818 and £50,240 respectively.

Mike Rogers, [LV=](#) Group Chief Executive, said: "Every parent knows how their hard-earned [savings](#) can dip thanks to eye-watering education and childcare costs. It is also likely to be of little comfort to mums and dads to hear that pocket money costs are at their lowest level since 2004, or that expenditure on family holidays in 2008 was only 4% up on the 2003 cost."

81% of parents have had to cut back on family expenditure as a result of feeling the pressure financially in the economic downturn. Family

activities are the main casualty, with over half of parents admitting to curbing their spending on holidays and short breaks, as well as reducing spend on leisure and recreational activities (52%).

In order to economise, 79% of parents are consciously buying lower cost items and supermarket 'value' items. 35% are buying second hand items to help make ends meet, with the same number selling unwanted items to raise money.

The pressure on family finances has also caused 37% of parents to reduce the amount they save regularly. Worryingly, 23% said they have also had to cancel or review their life insurance and income protection cover to help with family budgeting, which could have significant long term implications.

Mike Rogers continued: "Although parents are feeling the pressure financially, it is important they try to look beyond the short to medium term money worries. Life insurance and income protection are more important than ever in the current climate - the financial security of a family could be hugely affected if a parent was unable to work long term because of an accident, illness, or job loss."

The average household could spend £50,240 on education over their child's lifetime, including £34,300 on a three year university degree course. This includes tuition fees, travel, books, and living costs, including rent, bills and household items.

The cost of raising a child peaks during the university years, when parents could pay out £13,064 a year. But new parents may also find themselves significantly out of pocket, as the first twelve months of a child's life could cost £8,853.

Mike Rogers continues: "Our research shows that parents are being very resourceful when it comes to budgeting and cutting back on non-essential spend. Planning ahead is more important than ever though, and saving as much as you can, just a little and often, could help to ease the financial pain."

Tax efficient savings can make people's money go even further. Individual Savings Accounts - [ISAs](#) are a great way to save and the new LV= [ISA savings](#) give parents the opportunity to [invest in a fund](#) that suits them, at a time that many are seeing as a good buying opportunity."

- ends -

About

LV=

LV= is a trademark of Liverpool Victoria Friendly Society Limited (LVFS) and LV= is a trading style of the Liverpool Victoria group of companies. The new LV= brand identity was launched in March 2007.

Liverpool Victoria Friendly Society Limited is authorised and regulated by the Financial Services Authority and entered on the Financial Services Authority Register No. 110035. LVFS is a member of the ABI, AMI, AFS and ILAG. Registered address: County Gates, Bournemouth BH1 2NF.

Web Site: <http://www.lv.com/>

Contact Details: Further media information available from:

Lucy Pope

Press Office

LV=

County Gates

Bournemouth

BH1 2NF

01202 502204

www.lv.com